

2. Filed

17 July 1957

Memorandum For : Project Comptroller

From : Director of D and P

Subject : Schedule III Contract No. BC-200  
Hycon Mfg. Company

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1. The present target price of \$300,000.00 for Item 1-a of Schedule III of Contract BC-200 covers parts for the Government's bonded warehouse. This amount as well as the amounts for the balance of the items have been obligated on [REDACTED] against Project Aquatone [REDACTED]

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2. The Contractor will from time to time advise this office as to the actual cost of items used from the bonded warehouse for Project Aquatone [REDACTED]. The Company will be able to obtain this information from their property record cards which indicate the recipient of the equipment withdrawn from the stores for use in repair work accomplished under BC-450. Upon receipt of the actual cost for the issued bonded warehouse items same will be forwarded for your use in adjusting billings which are now being paid [REDACTED]. The balance of the items (test equipment, test site engineering etc.) on Schedule III will be charged [REDACTED] and are of the type that actual cost for each customer cannot be determined.

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3. If this procedure is not acceptable please advise and in conjunction with you we will discuss an alternate method of determining actual costs with the Contractor.

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